

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

**RECEIVED  
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In the Matter of

**DOCKET FILE COPY ORIGINAL**

Local Exchange Carriers' Rates	)	
Terms, and Conditions for	)	
Expanded Interconnection Through	)	CC Docket No. 94-97
Virtual Collocation for Special Access	)	Phase I
and Switched Transport	)	

**OPPOSITION TO PETITION FOR INTERIM WAIVER**

Teleport Communications Group Inc. ("TCG") hereby opposes the Petition for Interim Waiver filed by Bell Atlantic. Bell Atlantic asks that the Commission allow it to apply overhead loading factors in excess of those prescribed by the Commission for virtual collocation services.<sup>1</sup> Bell Atlantic has asked for this waiver to facilitate its proposed tariff filing which revises prices for virtual collocation (generally upward) and reintroduces physical collocation (although at higher rates than in its last appearance).<sup>2</sup>

TCG will separately file with the Commission with respect to Bell Atlantic's Transmittal No. 883, which Bell has submitted in connection with this waiver. As to the Petition for Waiver itself, the Commission should reject it. Bell Atlantic's purpose is solely to substantially increase already grossly overpriced collocation arrangements, with the obvious intent of inhibiting the development of competition.

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<sup>1</sup> Local Exchange Carriers' Rates, Terms and Conditions for Expanded Interconnection, 10 FCC Rcd 6375 (1995) ("Order")

<sup>2</sup> Bell Atlantic Tariff FCC No. 1, Transmittal No. 883, filed June 4, 1996

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Bell Atlantic claims that the Commission should approve its waiver because it will result in "significant cost savings." That claim cannot be accepted when rates for similar services offered by other LECs are compared to Bell Atlantic's proposed rates. For instance, the lowest cost option for a Bell Atlantic DS1 cross connect (5 Year term) is 62% more expensive than the similar item purchased from Pacific Bell and 151% more expensive than a DS1 cross connect purchased from NYNEX.<sup>3</sup> Similarly, the Bell Atlantic 5 year term rate for a DS3 cross connect is 26% higher than the monthly Pacific Bell rate and 62% higher than the NYNEX rate. So much for the "significant cost savings" that Bell Atlantic has promised -- Wal-Mart they aren't.

The Commission prescribed its overhead loading factors in order to inhibit local exchange carriers from doing precisely what Bell Atlantic is attempting to do -- overpricing bottleneck monopoly elements needed by their competitors. Because collocation arrangements are expected to be an important component for local exchange competition -- as the entry point for interconnection to unbundled loops -- any efforts by an incumbent local exchange carrier to increase these prices during the pendency of interconnection negotiations must be viewed with suspicion. The Commission prescribed a reasonable level of overhead costs that it allowed Bell Atlantic to recover from its collocation customers, and the Commission should not

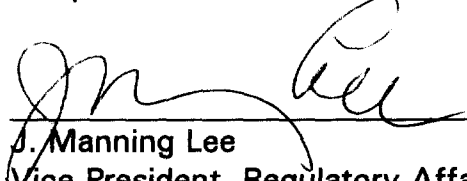
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<sup>3</sup> Bell Atlantic proposes in Transmittal No. 883 to offer DS1 cross connects on a monthly term for \$17.51, on a 3 year term for \$15.01 and on a 5 year term for \$13.34. By comparison, monthly rates for the following LECs are as follows: SNET - \$8.97, Pacific Bell - \$8.21, NYNEX - \$5.31 and Rochester \$4.74.

vary from that course. Nor should the Commission be impressed that Bell Atlantic has filed to "re-introduce" physical collocation and feel an obligation to grant this waiver. Bell Atlantic is required by statute to offer physical collocation, and if anything the question should be why it has taken them so long to comply with a statutory requirement that is already almost five months old, rather than should the Commission allow Bell Atlantic to make that offering unattractive through the vehicle of this waiver. Finally, the Commission is considering, in its interconnection NPRM, the question of the proper cost standards for collocation, and the Commission should not prejudice that result by modifying its existing policies at this time.

Respectfully submitted,

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June 17, 1996

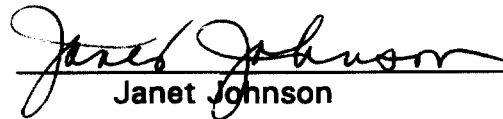
**CERTIFICATE OF SERVICE**

I, Janet Johnson, do hereby certify that a copy of the foregoing Opposition to Petition for Interim Waiver was sent by first class United States mail, postage prepaid, this 18th day of June, 1996, to the following:

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